



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

July 8, 2004

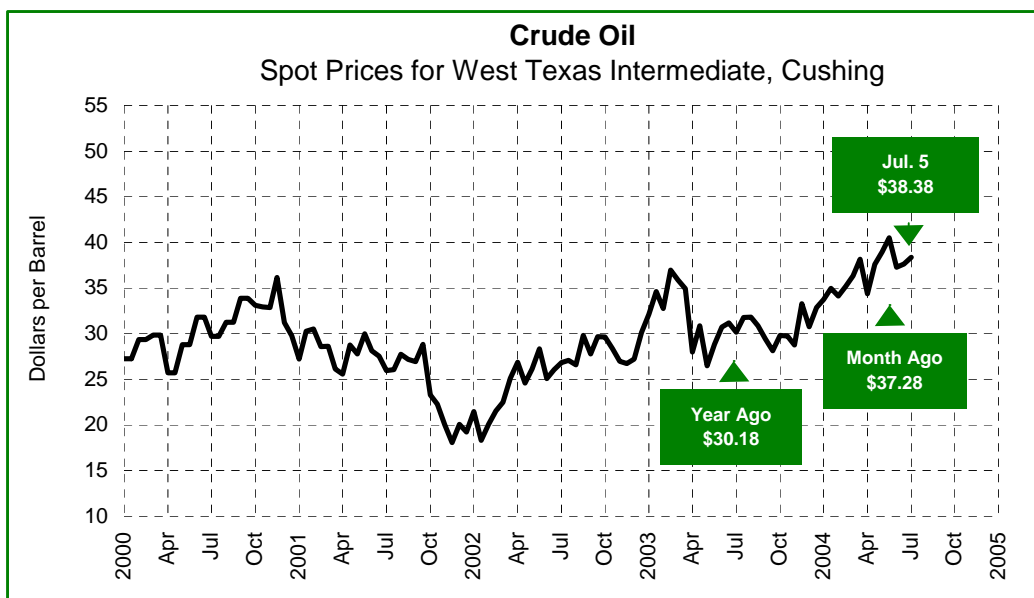
Crude Oil

Crude prices fell over the last two weeks but are being pushed higher due to continued unrest in Iraq and concerns about oil production in Nigeria and Russia.

Crude Oil - Spot Prices (dollars per barrel)

	<u>07-05-04</u>	<u>06-08-04</u>	<u>change</u>	<u>07-07-03</u>	<u>change</u>
WTI	\$38.38	\$37.28	up 3%	\$30.18	up 27%

- Strong crude oil imports continued last week averaging 10.1 million barrels per day, and have been at or above that level for seven weeks in a row. In response to strong U.S. demand for petroleum products, crude oil refinery inputs continued above 16 million barrels per day over the four-week period ending July 2, yet U.S. crude oil supplies grew by 100,000 over the same period. As a result, U.S. crude oil stocks are now at 305 million barrels, well within the 5-year average for this time of year.
- Crude oil prices fell over the last two weeks, but the continued unrest in Iraq and the bombing of the Southern Iraq pipeline during the Independence Day weekend, the threat of a strike in the oil producing nation of Nigeria and concerns surrounding Russian oil production are helping to push crude oil prices higher. Crude prices are 27 percent higher than this time last year.



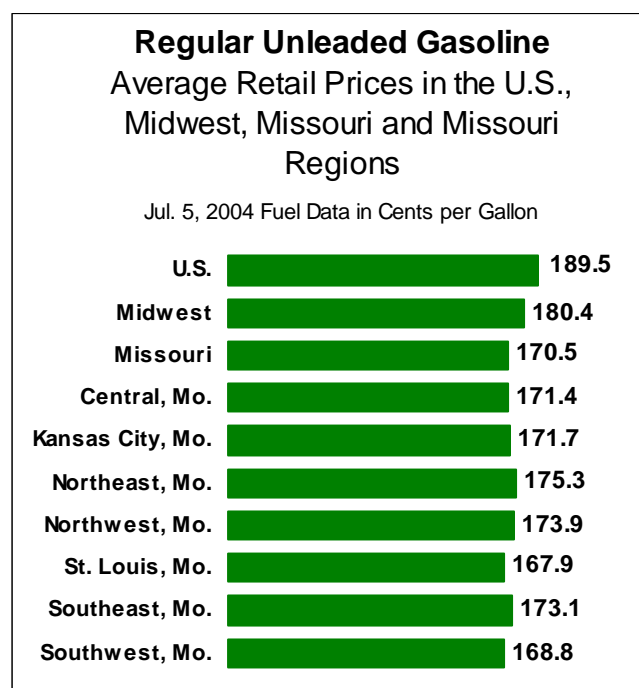
Transportation Fuels

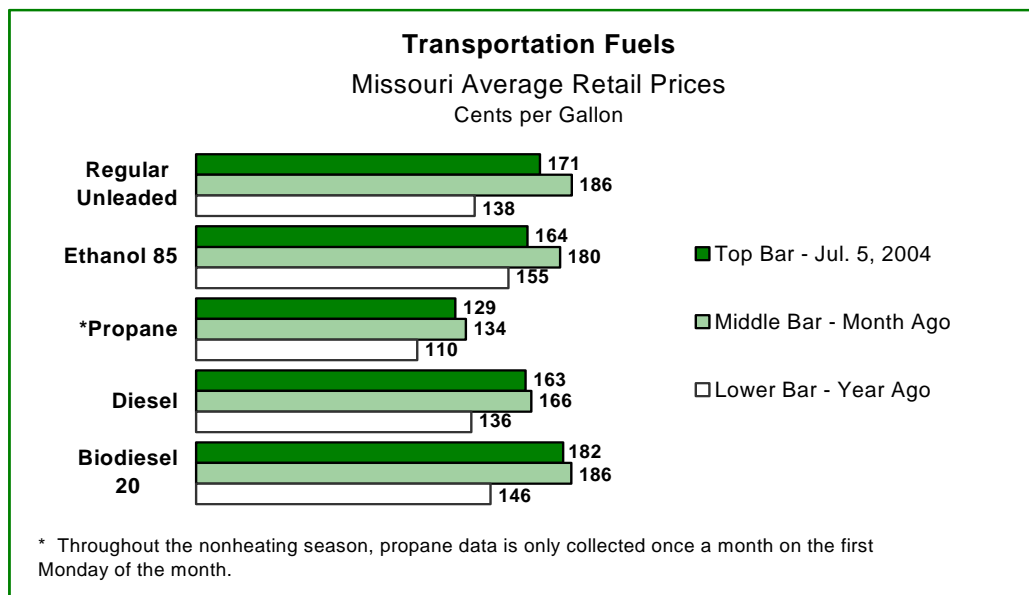
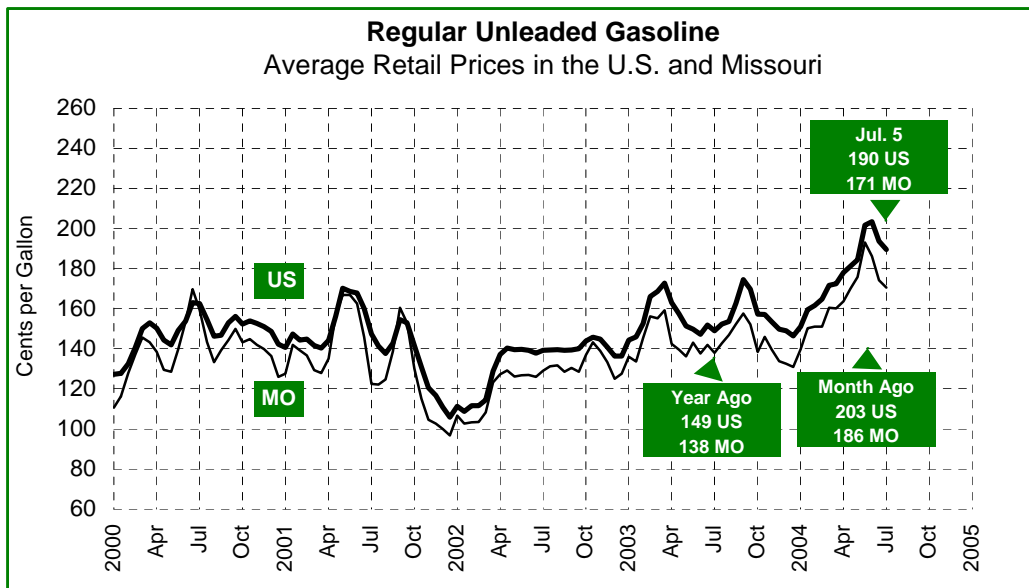
Despite recent decreases in the U.S. and Missouri average retail prices for regular gasoline, stronger crude oil helps to firm gasoline prices with expectations of continued high prices through July and August.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>07-05-04</u>	<u>06-07-04</u>	<u>change</u>	<u>07-07-03</u>	<u>change</u>
US	190	203	down 7%	149	up 27%
Missouri	171	186	down 8%	138	up 24%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>07-05-04</u>	<u>06-07-04</u>	<u>change</u>	<u>07-07-03</u>	<u>change</u>
Missouri	163	166	down 2%	136	up 20%

- The U.S. average retail price for regular gasoline decreased by 2.6 cents per gallon as of July 5 to reach 189.5 cents per gallon. This is the sixth week in a row that prices have decreased. Stronger crude oil prices are helping to firm gasoline prices with expectations of rising gasoline prices through July and August. Crude oil prices typically represent 40 to 45 percent of the retail price of gasoline.
- U.S. gasoline supplies climbed for the week ending July 2 with commercial supplies increasing by 1.0 million barrels from the previous week. U.S. supplies are reported at approximately 206 million barrels, but gasoline inventories remain below the lower end of the average range for the end of June and early July. This means there is limited flexibility in the system to respond to any infrastructure problems that might arise to reduce gasoline supplies over the peak of the demand season.
- U.S. gasoline supplies increased due to strong domestic gasoline production that stood at 9.4 million barrels per day for the week ending July 2. Current refinery utilization is approximately 96.7 percent, nearly the highest production level seen this year. Imported gasoline remained very strong with 1.26 million barrels imported per day for the same period.





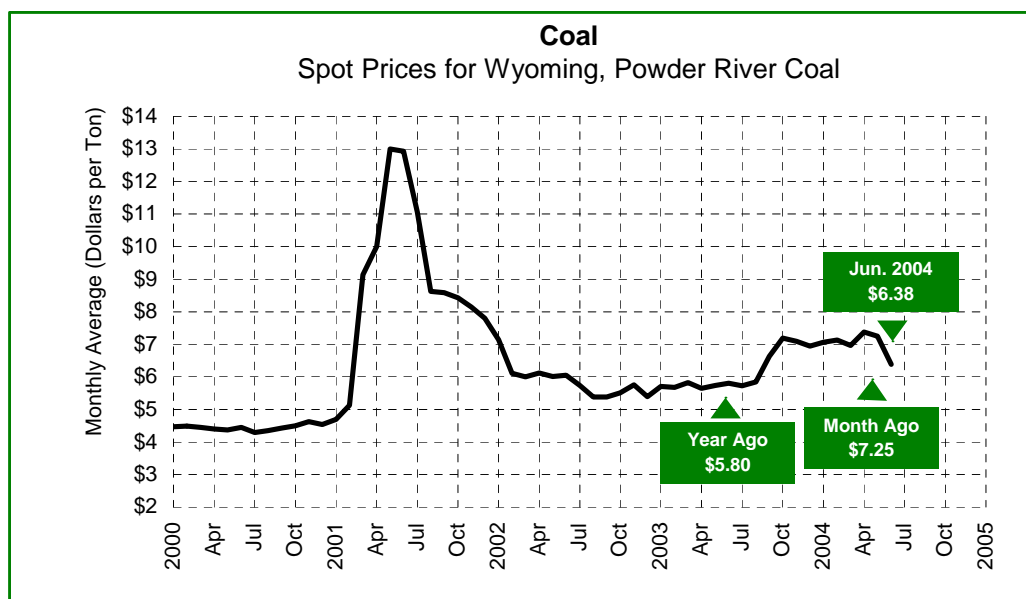
Motor Gasoline - Total Stocks (millions of barrels)					
	07-02-04	06-04-04	change	07-04-03	change
US	206.1	206.4	down 1%	205.5	up 1%

Coal

The average price paid for Powder River Wyoming coal is down 12 percent from last month but 10 percent higher than last year at this time.

Coal - Spot Prices (dollars per ton)					
	Jun. '04	May '04	change	Jun. '03	change
Powder River	\$6.38	\$7.25	down 12%	\$5.80	up 10%

- Estimated coal production for the week ending June 26 was 21.299 million short tons (mmst). This was 0.5 percent above the comparable week in 2003. Year-to-date U.S. coal production is estimated at 533.9 mmst, or 2.2 percent ahead of the corresponding total for 2003.

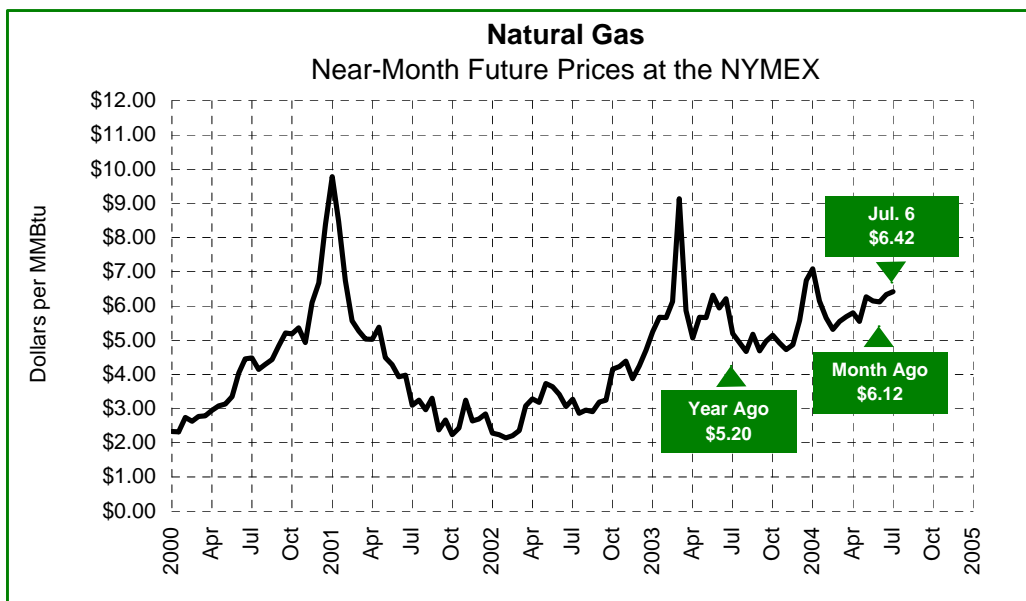


Natural Gas

For the week ending July 2, U.S. commercial supplies of natural gas stood at 2,047 Bcf or 1.2 percent above the 5-year average for this time of year.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	07-06-04	06-08-04	change	07-02-03	change
NYMEX	\$6.42	\$6.12	up 5%	\$5.20	up 24%

- Working gas in underground storage was 2,047 Bcf as of July 2, is 1.2 percent above the 5-year average inventory level for the report week, according to EIA's Weekly Natural Gas Storage Report. The implied net change of 109 Bcf for the report week was considerably higher than the 5-year average of 96 Bcf. Estimated inventories were 24 Bcf above the 5-year average of 2,023 Bcf and 238 Bcf higher than last year's stock level of 1,809 Bcf.
- The relatively robust injection occurred during a week in which moderate temperatures likely limited air-conditioning demand in many regions of the country. Key markets for cooling demand had temperatures that were considerably lower than normal. The weather for the country as a whole, as measured by cooling degree days (CDDs), was about 15.6 percent cooler than normal for the week ending July 3, according to the National Weather Service.



Propane

Midwest propane supplies improved by 1.3 million barrels for the week ending July 2, placing supplies at 16.8 million barrels compared with 12.1 million barrels at this time last year.

- Approximately 1.3 million barrels of propane were added to U.S. storage last week, now at an estimated 43.6 million barrels as of July 2, 2004. The first half of the traditional build season that occurs from April through September totaled 15.7 million barrels, a level far below the 5-year average for this period totaling 21.6 million barrels. The below-average stockbuild so far this season suggests primary supplies of propane may not be able to catch up and reach the 5-year average build prior to the start of the heating season in October. Weekly builds were reported in all the major regions last week, with the Midwest posting the largest gain at 0.8 million, boosted in part by strong imports.

Energy Bulletin Update

The Energy Bulletin has a new e-mail advisory service that will include an email and a direct link to the Bulletin on our web page rather than an email attachment. This new service will allow our readers to have easy and timely access to a newly designed Missouri Energy Bulletin that includes easier to read summaries of price and supply information as well as colored charts and graphs. To register for the new distribution service, please visit <http://www.dnr.mo.gov/energy/transportation/e-bulletin.htm>

Missouri Energy Outlook

The Missouri Energy Outlook, an energy resource analysis reviewing prices and availability of energy in Missouri over the summer months was released in June by the Missouri Department of Natural Resources' Energy Center. Copies of the Missouri Energy Outlook are available online at the department's Web site at <http://www.dnr.mo.gov/energy/energyoutlook.pdf>, or may be obtained by calling the Missouri Department of Natural Resources' Energy Center at (573) 751-3443 or the department toll free at (800) 361-4827.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm